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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Proposed Revision of Section)
69.605 of the Commission's Rules)
to Allow Small Cost Settlement)
Companies to Elect Average)
Schedule Settlement Status)

RM-8357

COMMENTS OF THE
NATIONAL TELEPHONE COOPERATIVE ASSOCIATION

The National Telephone Cooperative Association ("NTCA") submits these Comments in support of the Petition For Rulemaking filed by the National Exchange Carrier Association ("NECA") on September 13, 1993 ("NECA Petition"). By Public Notice, Report No. 1975, released on October 1, 1993, the Commission has asked for comments by interested parties. NECA is asking the Commission to extend average schedule eligibility to permit small local exchange carriers ("LECs") to elect average schedule status effective July 1, 1994.¹ NTCA is a national association of approximately 500 small LECs providing telecommunications services to subscribers and IXCs throughout rural America.

A majority of NTCA member LECs use interstate Average Schedules as the method for administering interstate access settlements from the revenue and cost pools administered by NECA. Positive action on NECA's proposed rule changes would give the opportunity to more small LECs to elect average schedule status and would extend this beneficial administrative process. NTCA

¹ NECA Petition at 2.

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agrees with NECA that small LECs should be given the opportunity to elect average schedule status.

The Commission's current rules restrict average schedule status to LECs that were already average schedule on December 1, 1982.² With industry and regulatory changes in recent years leading to greater tariff filing and ratemaking flexibility and concurrent efforts to promote efficiency and to relax regulatory burdens for smaller LECs, the average schedule option is increasingly a more compatible and desirable plan for small LECs. Ultimately, the use of the average schedule settlements option results in cost savings that accrue to the rate-paying public. As NECA notes, the current average schedule companies save about \$16 million in expenses per year by not being required to perform cost studies.³ The added availability of interstate Average Schedules would be helpful to many small LECs in meeting the demands of the emerging industry as well as beneficial to the rural subscribers these LECs serve.

NTCA supports moving forward with NECA's proposal to allow cost companies with less than 10,000 access lines in a study area to elect average schedule status by December 31, 1993, with an effective date of July 1, 1994. NECA's proposed time constraints on changing settlement status back and forth adequately address any concerns about settlement "churn" and about any potential negative effects on pooling operations. However, NTCA feels that

² 47 C.F.R. § 69.605(c).


³ NECA Petition at 2.

NECA's proposal may be conservatively restrictive and suggests that the Commission increase the proposal to allow conversion eligibility up to 20,000 access lines.

With these comments in mind, the Commission should move forward expeditiously to conduct and conclude a rule making proceeding to modify the access plan rules to broaden the eligibility for average schedule status.

Respectfully submitted,

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November 1, 1993

CERTIFICATE OF SERVICE

I, Rita H. Bolden, certify that a copy of the foregoing
Comments of the National Telephone Cooperative Association in
RM-8357 was served on this 1st day of November 1993, by first-
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